



STATE OF MISSOURI

# REAL ESTATE COMMISSION NEWS BULLETIN

*January 2018*

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## 2018 IS RENEWAL YEAR

All Missouri real estate license renewals come due in 2018.

The **broker** type licenses (broker, broker-associate, broker-officer, broker-partner, broker-association, broker-corporation, broker-partnership, professional corporation, broker-salesperson, and inactive broker) and company licenses (real estate associate, real estate corporate, and real estate partnership) expire on June 30, 2018. All broker license renewal reminders will be mailed about April 15 to the licensee's home address on record and all company license renewal reminders will be mailed about April 15 to the company's business address on record as of April 1, 2018.

The real estate **salesperson** type licenses (salesperson and inactive-salesperson) expire September 30, 2018. All salesperson license renewal reminders will be mailed about July 15 to the licensee's home address on record as of July 1, 2018.

Any license in a non-current status will not have a renewal printed.

Rule 20 CSR 2250-3.010 (5) & (7) were modified effective December 30, 2016 to state **original broker** type applications postmarked May 1 – June 30, of every even-numbered year will be issued a license for the subsequent licensing period without being required to obtain continuing education or submit a renewal application. **Original salesperson** type applications postmarked August 1 – September 30, of every even-numbered year will be issued a license for the subsequent licensing period without being required to obtain continuing education

## UPDATE YOUR MAILING ADDRESS

As required by 20 CSR 2250-4.020 (4), Licensees must notify the Commission in writing within 10 days following a change in name or address. Rule 20 CSR 2250-4.040 (1) requires companies to notify MREC within 10 days of an address change. The Commission uses the address on file with MREC to correspond with licensees (including renewal notices). Also, if you haven't provided an e-mail address, now is the time.

If your personal contact information changes, notify the Commission promptly in writing either by submitting the "Address or Name Change Application" form or go online by clicking on the icon "Address/Name Change Notification:" at our website <http://pr.mo.gov/realestate-coa.asp>.

## THINGS TO PONDER

- 1) Rules on advertising property for sale, by a Missouri licensee, pertains to all but the following:
  - a) Social Media
  - b) Local MLS Systems
  - c) Internet Pop-Ups
  - d) It pertains to all of the above
- 2) MREC holds who responsible for brokerage duties?
  - a) Broker Partner
  - b) Brokerage Owner
  - c) Designated Broker
  - d) Senior Age Broker
- 3) A school has \_\_\_\_ to upload the roster information into the MREC database.
  - a) 24 hours
  - b) 48 hours
  - c) 10 days
  - d) 30 days
- 4) The MREC may cause a complaint to be filed with the Administrative Hearing Commission (AHC) for which offense(s) listed below?
  - a) Failure to timely inform seller of all written offers unless otherwise instructed in writing by the seller.
  - b) Assisting or enabling any person to violate provisions of the real estate laws or rules.
  - c) Obtaining a certificate or registration of authority, permit or license for him/herself or anyone else by false or fraudulent representation, fraud or deceit.
  - d) A complaint may be filed for all of the above
- 5) If my salesperson or broker license expires, I have \_\_\_\_ days to renew without penalty?
  - a) 0 days
  - b) 10 days
  - c) 30 days
  - d) 60 days

*(Answers found on last page)*

## STATE AND NATIONAL HOLIDAYS (MREC OFFICE CLOSED)

The Missouri Real Estate Commission office is closed on the following state and national holidays:

New Year's Day	Monday, January 12, 2018
Martin Luther King, Jr. Day	Monday, January 15, 2018
Lincoln Day (observed)	Monday, February 12, 2018
Washington's Birthday	Monday, February 19, 2018
Truman's Birthday	Tuesday, May 8, 2018
Memorial Day	Monday, May 28, 2018
Independence Day	Wednesday, July 4, 2018
Labor Day	Monday, September 3, 2018
Columbus Day	Monday, October 8, 2018
Veterans Day (observed)	Monday, November 12, 2018
Thanksgiving Day	Thursday, November 22, 2018
Christmas Day	Tuesday, December 25, 2018

## INQUIRIES ON APPLICATION STATUS

MREC staff receives inquiries concerning the status of an initial application, status of transfer requests, continuing education completed, and other inquiries related to a licensee's license. Many of these inquiries do not come from the licensee, but from entity office personnel. MREC staff are pleased to assist in fulfilling inquiries; however, please keep in mind, because of confidentiality regulations, MREC staff can only discuss such status with the licensee or the designated broker with whom the licensee has affiliated his/her licenses.

## PROFESSIONAL LICENSE - FAILURE TO PAY TAXES (HB 600 PROCESS)

Under the requirements of Section 324.010 RSMo., the Missouri Real Estate Commission receives notification from the Missouri Department of Revenue when licensees have unresolved tax compliance issues. MREC sends initial notification letters to the licensees informing them of the tax issue. They are provided with an approximate date for license suspension if they do not get their tax issue resolved with DOR. The letter is mailed approximately 12 weeks prior to the Missouri Department of Revenue's effective suspension date, and is sent not only to the affected licensee but the *notification letter is also sent to the affiliated broker.*

If the licensee does not get the tax issue resolved by the deadline, a suspension letter is composed and sent to the licensee. A copy of the suspension letter will also be sent to the affiliated designated broker. Upon receipt, the designated broker is then required to return the licensee's original license to the MREC office within 10 days.

If you are an Individual Broker and are suspended, you are required to close your sole proprietorship. If you are the Designated Broker for a company and are suspended, you will be required to either close the company or immediately change designated brokers.

**If your Salesperson license is suspended due to HB600, you must cease conducting real estate business immediately. If your broker license is suspended due to HB600, you (and any licensees affiliated with your company) must cease conducting real estate business immediately. You may not resume real estate activities until MREC reinstates your license.**

## CONTINUING EDUCATION REQUIREMENTS FOR 2018 RENEWAL

Every licensee who holds an active real estate license must complete, during the two (2)-year license period prior to renewal, a minimum of twelve (12) hours of Missouri Real Estate Commission approved Continuing Education (CE). At least three (3) of the twelve (12) hours must be Core hours. The remaining nine required hours shall consist of Missouri Real Estate Commission approved core or elective courses.

Continuing education hours taken by Brokers between July 1, 2016, and June 30, 2018, will be applicable to the 2018-2020 license renewal cycle. Continuing education hours taken by Salespersons between October 1, 2016, and September 30, 2018, will be applicable to the 2018-2020 renewal.

If ALL Continuing Education hours are completed by broker licensees by April 1, 2018, and by salesperson licensees before July 1, 2018, then you should receive a renewal notice with the CE printed in Section 1 of the renewal form. If CE is not completed prior to the printing of the renewal notices, that information will be indicated in Section 1.

Please note that schools have 10 days to upload the course completion information to the MREC database. Once uploaded, if all 12 hours are on file, the renewal may be completed online. If CE course(s) are completed in the last 10 days before your expiration date, there is no guarantee that your courses will be uploaded to your record in time for the online renewal option; therefore, you will have to mail in a paper renewal with copies of your course certificates. **The emphasis is to get your required CE done early so you can renew online** and not get caught in the last minute backlog of renewals.

**Individual Request for Continuing Education Credit (ICE)** deadlines to submit applications for non-preapproved course credit are:

Broker type licensees– March 30, 2018  
Salesperson type licensees – June 30, 2018

## TRANSFERS AND TRACKABLE MAIL

Rule 20 CSR 2250-4.050 (4) states in pertinent part “...When a broker-salesperson or salesperson transfers from one broker to another without changing license type, the licensee shall be deemed transferred at the time the **properly completed application** is mailed by **certified, registered, or overnight delivery**, if **all** materials required to transfer are mailed under one cover...”

In order for this regulation to take effect, three things must occur: (1) the submitted application must have all the correct documents and they must be completed correctly; (2) the application package must be sent to MREC via trackable mail; and (3) the application materials must be mailed in one package. Therefore, a transfer is not effective upon mailing the package to MREC if: the package is mailed via regular mail; any required document is missing (e.g., original license); the transfer form is not properly completed or original signatures not included; the appropriate fees are not attached; or all documents are not enclosed in one packet.

Also, keep in mind that this regulation only applies to broker-salespersons and salespersons who are not changing license type. The Rule further states “...If the application is deemed incomplete, the transfer will not be effective until the new license is received by the broker or until written notification is received from the commission...”

## 2017-2018 RULE REVIEW

During the Rule Review process, there were 128 recommendations made by 25 people that affect 35 rules. The Rule Review results will be presented to the Commission at the February 7th meeting. The Commission will then decide what changes they want to move forward. Watch for the results in the July Newsletter.

## DO YOU HAVE AN INACTIVE LICENSE? YOU MUST STILL RENEW YOUR LICENSE

If you have an “inactive” license, you will not have to complete Continuing Education requirements, but you will still need to renew your license by the 2018 expiration date (June 30, 2018 for broker type licenses and September 30, 2018 for salesperson licenses).

### UPCOMING MEETINGS AND WORKSHOPS

#### COMMISSION MEETINGS FOR REMAINDER OF 2018

February 7

April 4

June 6

August 1

October 10

December 5

#### REAL ESTATE EDUCATORS' WORKSHOP – 2018

October 22, 2018 (Jefferson City)

(Contact MREC Education Specialist Terry Murphy for further information)

#### ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS (ARELLO) NATIONAL CONFERENCE

September 26-30, 2018

St. Louis, Missouri

## **RENEWAL POSTCARDS** (blue & white quad fold)

If you hold a Broker's license and have completed your required Continuing Education (CE) courses by the renewal printing date of April 1, 2018 or if you hold a Salesperson's license and have completed your required CE courses by the renewal printing date of July 1, 2018, you will receive a Renewal Postcard in the mail.

The postcards will be sent to :

- ALL Inactive Brokers and Salespersons,
- ALL companies, and
- ALL active licensees who have completed their continuing education credits by: April 1, 2018 (Broker) and July 1, 2018 (Salesperson).

Licensees that have NOT completed their continuing education at the time of renewal printing will receive a paper renewal application, but will still have the option to renew online as long as they have completed their continuing education by June 20, 2018 (Broker) or by September 20, 2018 (Salesperson).

If your continuing education hours are completed after these dates, it is still possible that the schools could get your continuing education hours submitted to the MREC office and you may still be able to renew online, but there is no guarantee that the continuing education hours will be submitted before your license expires.

However, if you complete your CE hours on June 30, 2018 (Broker) or on September 30, 2018 (Salesperson), you WILL NOT be able to renew online. You will have to submit a completed paper renewal application form along with copies of your continuing education certificates. You will also need to make sure that your renewal is postmarked June 30, 2018 (Broker) or September 30, 2018 (Salesperson) so that you will not be charged a delinquent fee.

**\*\*\*NOTICE: *Postage meter labels will NOT be accepted as official postmarks.*\*\*\***

**To be successful in real estate, you must always and consistently put your clients' best interests first. When you do, your personal needs will be realized beyond your greatest expectations.**

*Anthony Hitt*

## **MEET THE COMMISSIONERS**

**SHARON L. KEATING - MEMBER**

**CHAIRPERSON  
BROKER OFFICER  
TO THE TOP INC. (DBA RE/MAX JEFFERSON CITY)  
JEFFERSON CITY, MO  
APPOINTED TO COMMISSION OCT. 30, 2002  
REAPPOINTED TO COMMISSION JULY 15, 2008**

**STEPHEN M. KENNY -**

**MEMBER  
VICE CHAIRPERSON  
BROKER SALESPERSON  
IMO CO INC. (DBA CAROL JONES REALTORS)  
SPRINGFIELD, MO  
APPOINTED TO COMMISSION AUGUST 27, 2012**

**CHARLES W. DAVIS**

**MEMBER  
BROKER ASSOCIATE  
PROPERTIES WEST LC (DBA BETTER HOMES &  
GARDENS REAL ESTATE PREFERRED PROPERTIES)  
TOWN & COUNTRY, MO  
APPOINTED TO COMMISSION OCTOBER 27, 2005**

**WILLIAM W. GRATZ**

**MEMBER  
BROKER ASSOCIATE  
GRATZ REAL ESTATE LLC  
JEFFERSON CITY, MO  
APPOINTED TO COMMISSION JULY 13, 2015  
REAPPOINTED TO COMMISSION JANUARY 1, 2016**

**CHARLES G. (CHIP) MISKO**

**MEMBER  
PUBLIC MEMBER (ATTORNEY AT LAW )  
STINSON MORRISON HECKER LLP (RETIRED)  
ST. LOUIS, MO  
APPOINTED TO COMMISSION MARCH 14, 2008**

**ROSEMARY J. VITALE**

**MEMBER  
BROKER OFFICER  
REECE & NICHOLS REALTORS INC  
LEAWOOD, KS  
APPOINTED TO COMMISSION JUNE 7, 2006**

## **MREC PROPERTY MANAGEMENT - FAQ's**

*By Brenda Weston, Field Examiner Supervisor*

In recent years, the Missouri Real Estate Commission staff has noted a remarkable increase in the number of licensees conducting property management. With this increase in activity comes an increase in the number of calls, questions, and complaints related to property management. We thought you might appreciate us addressing (in a generality) some of our most frequently asked questions.

### **Do I need a license to manage properties that I own?**

We get this question a lot and the short answer is, "It depends." If you are managing the property as an owner, rather than as a broker or agent, then a license may not be required. If you personally, wholly own the properties, then no real estate license is required. The same is true if you own the properties with your spouse. However, if you are a partial owner of the property with other people, then you must hold a license to manage that property. If the ownership of the property is held in a corporation, limited liability company, or limited partnership and you are the president, managing member, or general partner of the related entity, then a license generally is not required to manage the property.

Keep in mind that, if you are a broker who owns property, and you manage that property through your brokerage, you are not acting as an owner—You are acting as a broker. Therefore, the management of your own properties may become subject to the rules and regulations of the Missouri Real Estate Commission.

### **Do "leasing agents" have to be licensed?**

Again, it depends. Generally speaking, an employee or independent contractor may tell potential tenants about a property (including the rental rate), show a property for lease, accept an application from a potential tenant, and even sign an agency disclosure on behalf of the broker so long as that employee or contractor is working under the direct supervision of a licensed broker. The employee, or independent contractor may even enter into lease agreements with tenants on behalf of property owners, if the brokerage has a written agreement with the owner that authorizes leasing activities and the broker has given the employee or contractor permission to negotiate and/or sign lease agreements. An employee of an owner also does not require a license.

The caveat is that unlicensed leasing personnel cannot be paid commissions. To receive any type of leasing commission, the agent, contractor or employee must possess a real estate license. It is permissible to pay an independent contractor or employee a salary or an hourly wage.

It is probably wise not to refer to any unlicensed staff or contractors as "agents" because owners and/or potential tenants may incorrectly believe the employee holds a real estate license. The key is whether the individual is an "employee" of the owner or company.



**I know of someone who is managing property for a third party without a license . . . Is there anything I can do?**

You worked hard to get your license and you try diligently to comply with the rules and regulations that govern your license. It is unfair competition for someone else to be offering the same services without meeting the same licensing requirements, training, or oversight. But, are they offering the same services? Missouri has dozens of small businesses created to handle specific services on behalf of owners (e.g., accounting firms, maintenance companies, property inspection services, etc.). Property managers, who do not collect rents, hold security deposits or show, advertise or lease properties, may not be required to hold a real estate license in Missouri. Also, consider who owns the properties being managed. Remember, people may manage their own properties, or possibly those of an entity for which they are a principal, without holding a real estate license. And, they may legally hire unlicensed “employees” to manage and/or lease their properties.

If you have evidence that an unlicensed property manager is leasing properties and/or collecting rents or holding security deposits for a third-party without a license, you may report the suspected violator to the Missouri Real Estate Commission by completing a “Complaint Form”, obtainable from our website, <http://pr.mo.gov/realestate.asp>, under “General Information.” If you prefer, you may submit an anonymous tip via e-mail to [realestate@pr.mo.gov](mailto:realestate@pr.mo.gov). Please understand that the Missouri Real Estate Commission is under no obligation to investigate “anonymous tips.” Due to limits on staff resources, anonymous tips without documented evidence or specific details (names, dates, property addresses, owner/tenant name, etc.) may not be investigated further.

**Do I need an escrow account if I collect rents or security deposits?**

Yes. All funds collected that belong to someone else (other owners, landlords, tenants) must be deposited into an escrow account, which is separate and apart from the broker’s own funds. Thus, it is not acceptable to collect rents and deposit those funds into a personal bank account or the brokerage operating account. This may constitute “commingling” of funds. Rents and security deposits may not be held in the same escrow account, without the written permission of all parties. Therefore, it may be necessary to maintain two (or more) escrow accounts when managing property for a third party. Be sure that you register all escrow accounts, or any change in your escrow accounts, with the Commission. You may register a new account, make changes to existing accounts, or close an account with the MREC by completing and submitting a Consent to Examine and Audit Escrow or Trust Account form, available from the Commission’s website at <http://pr.mo.gov/realestate.asp> under “Application Forms.”

**Why am I being asked to register the owner’s property accounts with the MREC?**

Often, generally with commercial properties, the property owner maintains their own bank accounts for the deposit of rents and/or security deposits. Sometimes, the owner assigns these accounts to the brokerage to handle. Other times, the broker is required under the management agreement to open separate accounts for a certain property and/or owner. Typically, property managers think of these as “owner accounts” and not brokerage escrow accounts. However, if the broker or anyone affiliated with the property management firm, who is not the owner of the property, has signing authority on these accounts, the Commission requires that they be



registered with MREC. This registration allows the Commission to examine the accounts to ensure the protection of the owner's money in the event of a complaint, audit, or investigation.

### **What real estate statutes, rules, or regulations govern property management activity?**

All of Chapter 339 RSMo., and the rules and regulations promulgated thereunder, may apply to various property management firms or activities. These statutes and regulations may be found on our website, <http://pr.mo.gov/realestate.asp>. However, the bulk of MREC regulations, specific to those practicing property management, fall into three basic categories:

1. Escrow Accounts/Accounting for funds/Security Deposits/General Conduct:
  - Section 339.100.2 RSMo regarding general conduct, prohibited activities and the requirement to fully and timely account for or remit funds belonging to others.
  - Section 339.105 RSMo regarding the requirement for an escrow account, registration of such account(s), separation of funds, and the duty to maintain records sufficient to determine the adequacy of funds held in each escrow account at all times.
  - Rule 20 CSR 2250-8.120 and 2250-8.220, which outline specific expectations regarding escrow accounts (separating security deposits, removing interest earned, maintaining and retaining proper books and records, removing management fees, deposit deadlines, and more).
2. Management/Agency agreements with owner's:
  - Section 339.780 RSMo and 20 CSR 2250-8.200 states the requirement for a written management agreement, along with certain required provisions and minimum services.
  - Rule 20 CSR 2250-8.090 (9) outlines the specific terms or authorizations that must be in every management agreement.
  - Section 339.730 RSMo details the duties and responsibilities of a landlords limited agent and 339.755 RSMo details the duties and responsibilities of a transaction broker. The duties and responsibilities must be contained in every management agreement, in accordance with your brokerage relationship with the property owner.
3. Leases/Tenant's/Security Deposits
  - Rule 20 CSR 2250-8.096 outlines the requirements for written brokerage relationship confirmation. Many licensees do not realize that the written brokerage relationship disclosure is required in every leasing transaction, just as it is in every sales transaction. The written disclosure confirmation may be included in the lease, or may be contained in a separate document.
  - The MREC does not regulate the content of leases. However, 20 CSR 2250-8.140 requires that all lease forms be approved by legal counsel.
  - Rule 20 CSR 2250-8.220 (2) requires all security deposits to be held intact in an escrow account, other than the property management escrow account.
  - Missouri Landlord/Tenant law and security deposit disputes are regulated through the Missouri Attorney General's office.

## GOVERNOR

The Honorable Eric R. Greitens

## DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Chlora Lindley-Myers, Director

## DIVISION OF PROFESSIONAL REGISTRATION

Kathleen (Katie) Steele Danner,  
Division Director

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Member

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Neosho, Missouri

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Charles G. Misko, Public Member  
St. Louis, Missouri

Rosemary J. Vitale, Member  
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Vacant  
Member

## ADMINISTRATIVE STAFF

Terry W. Moore, Executive Director

Carmen M. Cobb, Licensure Supervisor

DeWayne L. Hickey, Enforcement  
Supervisor

## Missouri Real Estate Commission

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Phone: (573) 751-2628

Ext. 1) General Information

2) Licensing

3) Consumer Group

4) Complaints & Investigations

5) Audits

6) Schools & Courses

Fax: (573) 751-2777

Email: [Realestate@pr.mo.gov](mailto:Realestate@pr.mo.gov)

Website: <http://pr.mo.gov/realestate.asp>

The Missouri Real Estate Commission office is open Monday-Friday, 8 a.m-5 p.m., except State Holidays. Walk-ins are asked to arrive no later than 4:30 p.m. At this time, MREC is not capable of accepting payment by credit/debit card. Licensees must have exact cash, cashier's check, company check, or personal check..

## *Things to Ponder - Answers*

1. **(d) It pertains to all** – Definition of Advertising §339.010 (6)
2. **(c) Designated Broker** – 20 CSR 2250-8.020 (1)
3. **(c) 10 days** – §339.010 (6)
4. **(d) A complaint may be filed for all the listed offenses** - §339.100 (2) (10, 15, & 17) RSMo.
5. **(a) Zero days** – (\$50 per month or partial month elapsed since the date of license expiration, not to exceed \$200) 20 CSR 2250-4.020 (1) (E)

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